



SAY ON CLIMATE assessment

Switzerland



2024

Transparency rating

55%

alignment with FIR
recommendations



ACCELERATE
CLIMATE
TRANSITION

PERFORMANCE SCORING
11 / 20

NARRATIVE SCORING
A B C D E

TREND SCORING
=

Although Holcim has announced **an ambition of carbon neutrality by 2050**, a large part of the reduction in Scope 1 and 2 emissions relies on **carbon capture, utilization and storage (CCUS) technological solutions**, which require **significant investment** (56% of CAPEX from 2023 to 2032). Furthermore, the scope 3 targets validated to date by SBTi on a 1.5°C trajectory represent **only 8% of scope 3**. The company's focus on technological solutions will certainly be part of the solution, but Holcim could at the same time challenge its business model further to maximize its chances of aligning with a low-carbon economy.

Since 2021, the **French Forum for Responsible Investment (FIR)** has called for the widespread adoption of stringent Say on Climate (SOC). In March 2023, the FIR signed again [an agreement with 48 French and European signatories](#), encouraging the development of SOC. Meanwhile, in 2022, FIR began analyzing the climate plans of French companies that submit them to shareholder vote. After joining forces last year, **FIR and ADEME** are extending their partnership by joining forces this year with **Ethos and the World Benchmarking Alliance**, to analyze the climate plans of European companies submitted to a consultative shareholder vote at their annual general meetings in 2024.

In 2022, FIR had published [analysis reports](#) assessing the extent to which French companies' climate strategies were in line with its recommendations. In 2023, as part of the partnership with ADEME, these analysis reports has been enriched with the **ACT assessment tool**, to measure the contribution of corporate strategies and actions to the mitigation objectives of the Paris Agreement.

In 2024, the scope of our analysis has been extended to include European companies which have submitted a SOC. Assessments will be published progressively ahead of their annual general meetings.

As in 2022 and 2023, the FIR wishes to salute the efforts of companies that contribute to improving shareholder dialogue, and encourages them to reiterate the Say on Climate exercise annually.

TABLE OF CONTENTS

- ▶ [Assessment according to the FIR analysis grid](#)
- ▶ [ACT's assessment](#)
- ▶ [FIR's recommendations grid](#)
- ▶ [ACT's assessment methodology](#)
- ▶ [ACT Cement methodology](#)

In partnership with :



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HOLCIM

Ambition Net Zero 2050

Net Zero commitment 2050, with the aim of offsetting 5% of Scope 1 and 2 emissions and 10% of Scope 3 emissions by 2050. In addition, 6 CCUS projects are under way, with a capture target set at 5 MtCO₂ per year by 2030 (but this is one of the reduction levers).

- ▶ For scopes 1 and 2, 5% of the reduction is supposed to come from natural reabsorption during the life of the products: questions the credibility of this reduction; for scope 3, means for 10% of offset are not detailed
- ▶ For scopes 1 and 2, the company relies on CCUS for 44% of its emissions reduction: questioning the maturity of technologies

Reference scenario(s) used

- 1.5°C trajectory validated by SBTi for 2050 (base year: 2019) for all scopes
- 1.5°C trajectory also validated by SBTi for 2030 for scopes 1 & 2 (base year 2018) and 8% of scope 3* (base year 2020)

Current GHG emissions (2023 vs 2022)

*clinker and cement purchases represent 3.9 MtCO₂eq in 2023

SCOPE 1 (59%)

75 MtCO₂eq (vs. 78)

39% emitted by raw materials during cement production, 19% generated by fuel combustion during cement production & 1% from the power generation, aggregates, Rmx and solutions and products operations

SCOPE 2 (market based) (4%)

5 MtCO₂eq (vs. 5)

4% from purchased electricity

SCOPE 3 (37%)

47 MtCO₂eq (vs. 47)

19% of emissions from upstream and downstream (transport, the extraction and production of purchased materials and fuels) & 18% from direct emissions from companies and non-consolidated investments.

Short-term GHG emissions reduction target

- 12% reduction in Scope 1 intensity by 2025 compared with 2018: targets set at 520 kgCO₂net/ton of cement by 2025 (2018 baseline: 590 kgCO₂net/ton of cement)
- ▶ Absence of detailed quantified targets for scopes 2 and 3 in the short term and absence of absolute targets

Medium-term GHG emissions reduction target

- Targets validated by the SBTi on the 1.5°C trajectory for 66% of all scopes: Scopes 1 & 2: Reduction of 26.2% kgCO₂net/ton of cement vs 2018
- Equivalent to a 25% reduction in Scopes 1 and 2 absolute emissions compared with 2018*.
- Scope 3: 25.1% reduction per tonne of clinker and cement purchases vs 2020 (8% of Scope 3)
- Other scope 3 targets validated by the SBTi on a 2°C trajectory: 20% reduction in fuel and energy-related activities per tonne of fuel purchased by 2030 vs 2020 (11% of scope 3) and 24.3% reduction per ton of materials transported by 2030 vs 2020 in downstream transport and distribution (11% of scope 3).
- ▶ Absence of objective in absolute value for global scope 3
- ▶ Absence of objectives for 69% of scope 3

*Including land-related emissions and removals from bioenergy feedstocks

Long-term GHG emissions reduction target

- Targets validated by SBTi: scopes 1 & 2: -95.1%/tonne of cement by 2050 vs 2018* and scope 3: -90% by 2050 vs 2020
- The 2050 scope 3 targets incorporate the 15 categories of the scope:
- ▶ No specific targets for each category, while only 31% of Scope 3 emissions are covered by the 2030 targets.

Action plan measures

Contribution of actions to Scopes 1 and 2 reduction targets by 2050:

- Carbon capture and storage technology (CCUS) (44% in 2050): Objective of capturing 5MtCO₂ per year by 2030 and producing 8Mt of "decarbonised cement" per year by 2030.
- efficiency gains in design/construction (16% in 2050) and in concrete (10% in 2050)
- Replace clinker in final cement products with mineral components (10% by 2050): reduce the clinker factor from 72% in 2023 to 68% in 2030.
- Less CO₂ in clinker (10% by 2050): Produce clinker with decarbonised raw materials. Thermal substitution rate target of 50% in 2030 and 70% in 2050.
- Decarbonised electricity (5% by 2050)
- Natural reabsorption of CO₂ during the lifetime of concrete products (5% in 2050) - passive action

Scope 3:

- Actions by 2030 for 53% of Scope 3 emissions: replacement of fossil fuels with locally sourced alternative fuels, purchase of low-carbon products, for downstream transport: optimisation of more environmentally-friendly routes and transport, for clinker purchases: analysis of information provided by suppliers in their environmental declarations, for other products and services purchased: inclusion of CO₂ emissions in calls for tender/purchasing decisions.
- ▶ Contribution of actions to reduction targets are detailed for scope 1 and 2, but the plan is mainly based on CCUS (carbon dioxide capture and storage) technologies, with the aim of achieving a 44% reduction via CCUS by 2050.
- ▶ No action plan for 47% of scope 3
- ▶ Lack of detail on action plan for scope 3 covered; absence of contribution to reduction targets

CAPEX / OPEX investment alignment

CAPEX plan: 2023-2032: CHF 4.4 billion
56% on the CCUS (CHF 2.2 billion)
39% on decarbonisation (CHF 1.7 billion)
2% on own energy (CHF 82 million)
2% on adapting to climate change, water, biodiversity

- ▶ 7% of business CAPEX aligned to taxonomy/ 37% of CAPEX eligible for taxonomy. target set: 70% of Capex aligned to taxonomy by 2030 in Europe. Progress to be monitored.
- ▶ Large part of CAPEX dedicated to CCUS technologies for capturing and producing "low carbon products » : questioning the maturity of technologies

Remuneration

- Executive Committee :
- Long-term variable compensation: 16.5% criterion following the 2025 target for reducing Scope 1 emissions
- ▶ Absence of criteria for reducing emissions from scopes 2 and 3. ▶ Annual variable: absence of carbon-related criteria

Annual consultative vote on implementation

No annual vote on strategy

Consultative vote on strategy every three years

No vote on strategy every three years

Caption:

- Indicates that all the criteria for obtaining all the points have been met but suggestions for improving transparency
- ▶ Failure to obtain full points



PERFORMANCE SCORING

11 / 20

NARRATIVE SCORING

A B C **D** E

TREND SCORING



Module	Score	%	Assessment's elements
Targets	15/20	15%	<ul style="list-style-type: none">Targets are sufficiently ambitious and have been validated as science-based by a third party. A possible improvement would be to set intermediate targets at the 2040 horizon. Target achievement is currently not on track compared to a linear reduction and additional efforts seem necessary.
Material investment	9/20	16%	<ul style="list-style-type: none">Holcim plans to capture 44% to reduce its scopes 1 and 2 by 2050 using CCUS technologies, but does not give an estimate of the associated costs. Currently Holcim has significant locked-in emissions linked to its production plants.
Intangible investment	20/20	10%	<ul style="list-style-type: none">Holcim reports that more than 50% of the R&D resources are dedicated on low-carbon products which is considered significant. A precise definition of what is considered a low-carbon product and more details on the projects would be an improvement.
Sold product performance	3/20	17%	<ul style="list-style-type: none">Holcim relies too heavily on unproven and cost-prohibitive CCUS technologies in its decarbonisation strategy.
Management	17/20	10%	<ul style="list-style-type: none">Holcim has successfully put in place a management system that should be aligned with climate topics.
Supplier engagement	8/20	6%	<ul style="list-style-type: none">Holcim does engage with suppliers, but additional tools should be deployed such as a clause for quantified GHG reduction.
Client engagement	6/20	10%	<ul style="list-style-type: none">Holcim is lacking an ambitious strategy to influence its clients towards low-carbon construction solutions.
Policy engagement	13/20	6%	<ul style="list-style-type: none">Holcim has a relatively good policy engagement transparency and position. Holcim participates in sectoral initiatives against climate change but it could be more proactive by leading some of these initiatives.
Business model	5/20	10%	<ul style="list-style-type: none">Holcim has shown progress these last years to make incremental changes to its current business model, but these changes remain marginal. A broader strategy that would allow Holcim to pass from a cement company to a construction material company is still lacking.

Consistency of the plan:




Overall Holcim has well understood that climate is a profoundly material topic and has put in place multiple actions to manage this topic. Unfortunately Holcim’s actions seem to be aimed at minimizing costs to continue with its business-as-usual activities. The company has not given itself the opportunity to broaden the scope of its business model redefinition, for example by seeing itself as a construction material company rather than a cement company. Significant efforts seem to have been put in Holcim’s climate plan and the level of reporting is positive. The main strong points of the climate plan are the science-based targets, the high R&D budget share for low-carbon technologies, the company’s climate governance, and the policy engagement transparency and alignment with pro-climate protection positions.

Identified areas for improvement:

Holcim’s main improvement areas are to increase the scale of its low-carbon solutions, increase expectations and tools for supplier engagement, implement an ambitious strategy for client engagement and improve its business model compatibility with a low-carbon economy. Because Holcim has not yet managed to redefine its business model, its climate strategy over-relies on CCUS which is considered a non-credible strategy.

SAY ON CLIMATE 2023 evaluation grid

based on follow-up to FIR recommendations

			
Ambition net zero 2050	If the ambition of contributing to carbon neutrality by 2050 is declared and clear explanations are given on how to achieve this neutrality The level of negative emissions is limited	The ambition to contribute to carbon neutrality by 2050 is declared and the explanations on how to achieve this neutrality are clear. The level of negative emissions is high	A declared ambition, but very little clarity on how the company intends to achieve carbon neutrality (no long-term reduction targets, targets set are not very credible, heavy reliance on offsetting, etc.) or no declared ambition to be carbon neutral by 2050
Reference scenarios used	The company positions its climate strategy in relation to a 1.5°C warming scenario for all scopes	The company uses a reference scenario limiting warming to between 2°C and 1.5°C, or 1.5°C for only part of its scope.	No reference scenario explicitly mentioned or scenario(s) not used to define the strategy
Current GHG emissions	Disclosure of greenhouse gas emissions in absolute terms; breakdown by scope	Insufficiently detailed publication	No public data
Short-term GHG emissions reduction target	If the quantified emission reduction targets before 2030, expressed at least in absolute terms, cover the 3 scopes and are set in relation to the company's 1.5°C alignment trajectory. This trajectory has been scientifically validated.	If the quantified emission reduction targets before 2030 do not cover the majority of the company's activities, or if these targets cover all activities but are on a trajectory of between 2°C and 1.5°C	No quantified target for reducing emissions in the short term, or targets that are not very ambitious in the short term (reference year too far in the past, no absolute reduction, not scientifically validated, etc.)
Medium-term GHG emissions reduction target	If the quantified emission reduction targets for 2030, expressed at least in absolute terms, cover the 3 scopes and respect the alignment with a 1.5°C scenario. This trajectory has been scientifically validated	If the quantified emissions reduction targets for 2030 do not cover the majority of the company's activities, or if these targets cover all activities but are on a trajectory of between 2°C and 1.5°C	No quantified target for reducing emissions in the medium term, or targets that are not very ambitious in the medium term (reference year too far in the past, no absolute reduction, not scientifically validated, etc.)
Long-term GHG emissions reduction target	If the quantified emission reduction targets in 2050 or earlier, expressed at least in absolute terms, cover the 3 scopes and are set in relation to the company's 1.5°C alignment trajectory. This trajectory has been scientifically validated	If the quantified emission reduction targets for 2050 or earlier do not cover the majority of the company's activities, or if these targets cover all activities but are on a trajectory of between 2°C and 1.5°C	No quantified target for reducing emissions in the long term, or targets that are not very ambitious in the long term (reference year too far in the past, no absolute reduction, not scientifically validated, etc.)
Action plan measures	Detailed measures for each scope of the company with a sufficient level of detail, including short- and medium-term figures, to enable the alignment of this plan with the objectives set to be assessed.	Detailed measures for each scope of the company, but insufficient detail to assess the level of alignment with the objectives set (lack of quantified measures in particular)	Measures with little or no detail
Investment alignment (OPEX / CAPEX)	Details the proportion of investments (OPEX and CAPEX) that contribute to meeting short- and medium-term targets, and explains how these investments enable the targets to be met	The information provided on the contribution of investments to the achievement of objectives does not allow an understanding of how the company achieves the objectives set	No investments contributing to the achievement of explicit objectives
Remuneration	All variable parts of the remuneration of corporate officers include at least one criterion that assesses the achievement of greenhouse gas emission reduction targets. The % of remuneration determined by this criterion is published; it represents a significant proportion (10% or more)	At least part of the variable part of the remuneration of corporate officers is covered by a non-diluted criterion for reducing greenhouse gas emissions in line with the reduction trajectory defined by the company	The criterion included in the remuneration of corporate officers relating to the reduction in greenhouse gas emissions is diluted, or does not follow the reduction trajectory defined by the company. or No criteria relating to the reduction of greenhouse gas emissions are included in executive remuneration
Annual consultation on implementation	The company undertakes to consult shareholders annually on the implementation of its climate change strategy	The company is committed to consult shareholders on the implementation of its climate strategy over the coming years	The company does not undertake to consult shareholders on the implementation of its climate strategy
Consultation on strategy every three years	The company undertakes to consult shareholders on its climate strategy at least every three years	The company undertakes to consult shareholders on its climate strategy over the coming years	The company makes no commitment to consult shareholders on its climate strategy

→ IT'S TIME TO ACT

WHAT IS ACT ?

A joint voluntary initiative of the UNFCCC secretariat Global Climate Agenda.

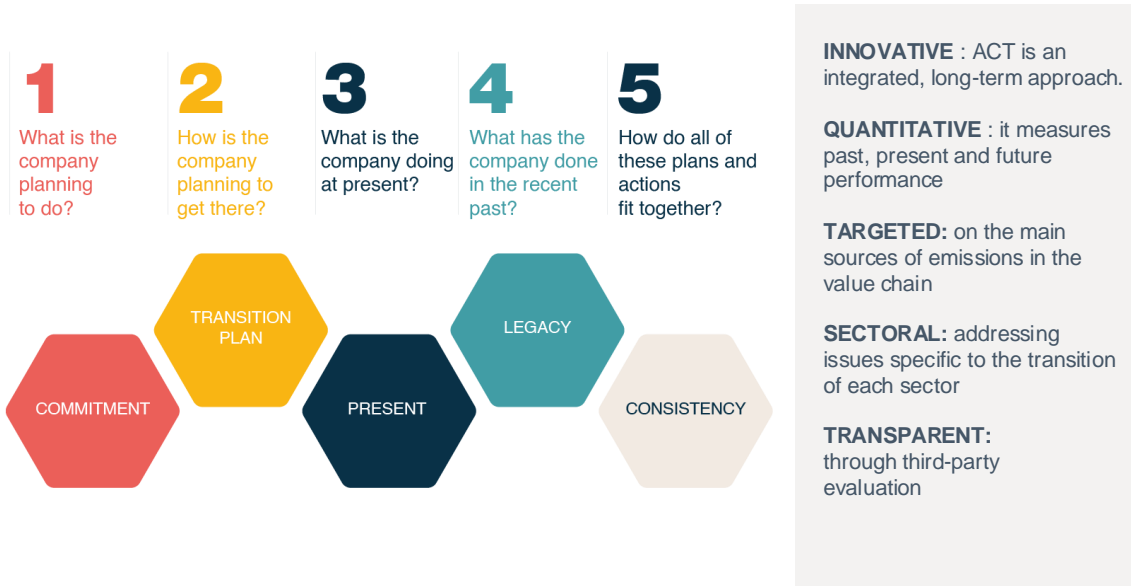
WHY ACT ?

Drive climate action by companies and align their strategies with low-carbon pathways.

HOW DOES ACT WORK ?

ACT provides sectoral methodologies as an accountability framework to assess how companies' strategies and actions contribute to the Paris mitigation goals.

FRAMEWORK



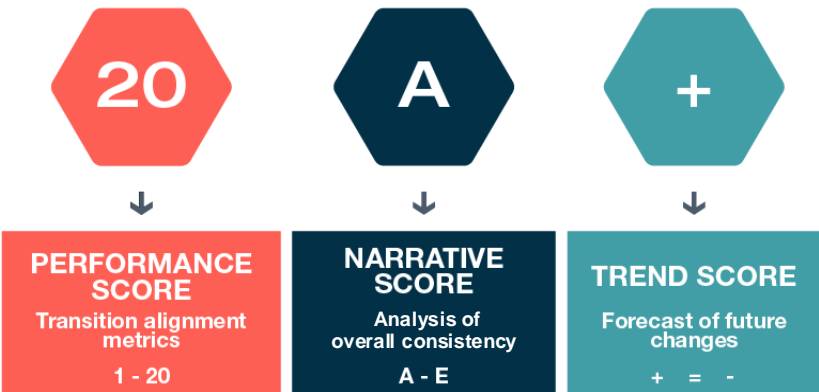
ACT ASSESSMENT

For what purpose?

Credibly measure the contribution to the net-zero objective in relation to sectoral low-carbon trajectories.

For whom?

Companies with science-based objectives and/or a transition plan ready for assessment



ACT Methodology Cement

The full ACT methodology for the Generic sector can be found on our website. The detailed assessment is summarized in a score based on three criteria : performance, overall consistency and trend. It takes the following form:

- **Performance** : number between 1 and 20
- **Evaluation (consistency)** : letter between A and E
- **Trend** : + (improvement), - (deterioration), = (stable)

Module	Indicator
1. Targets	1.1 Alignment of inclusive scope 1+2 emissions reduction targets
	1.2 Time horizon of targets
	1.3 Achievement of previous targets
2. Material investment	2.1 Trend in past emissions intensity
	2.2 Locked-in emissions
	2.3 Trend in future emissions intensity for cement production
	2.4 Alternative fuels activities
3. Intangible investment	3.1 R&D for Low carbon transition
4. Sold Product performance	4.1 Trend in past emission intensity
	4.2 Electricity management
	4.3 Clinker/ material-specific interventions
5. Management	5.1 Oversight of climate change issues
	5.2 Climate change oversight capability
	5.3 Low- carbon transition plan
	5.4 Climate change management incentives
	5.5 Climate change scenario testing
6. Supplier	6.1 Strategy to influence suppliers to reduce their GHG emissions
	6.2 Activities to influence suppliers to reduce their GHG emissions
7. Client	7.1 Strategy to influence customer behavior to reduce GHG emissions
	7.2 Activities to influence customer behaviour to reduce GHG emissions
8. Policy engagement	8.1 Company policy on engagement with trade associations
	8.2 Trade associations supported do not have climate-negative activities or positions
	8.3 Position on significant climate policies
9. Business Model	9.1 Business activities that reduce structural barriers to market penetration of low-carbon cement
	9.2 Business activities that contribute to low-carbon optimization of construction
	9.3 Business activities around circular economy

Narrative scoring

1. Business model and strategy
2. Consistency and credibility
3. Reputation
4. Risks

Trend scoring

1. Probability of emissions' evolution
2. Evolution of business model and strategy

Disclaimer:

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In collaboration with:

